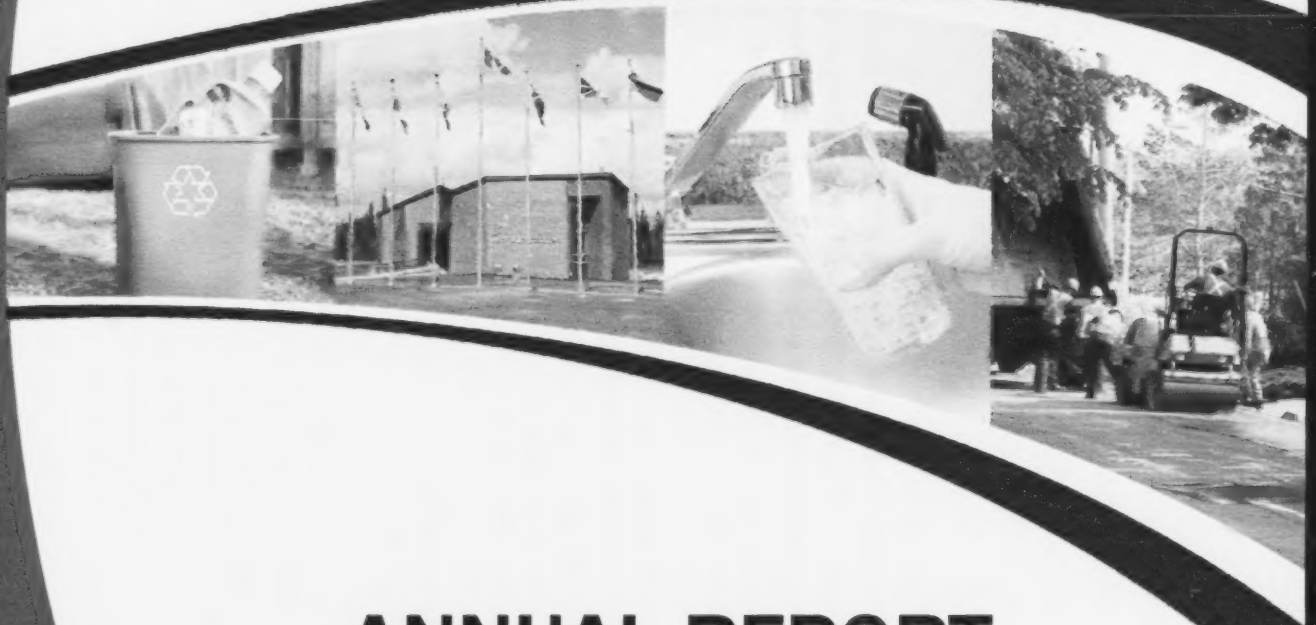




Newfoundland Labrador

MUNICIPAL AFFAIRS



ANNUAL REPORT

2006-2007

2008 03 05

Hon. Roger Fitzgerald, M.H.A.
Speaker of The House
Speaker's Office
P.O. Box 8700
St. John's NL A1B 4J6

Dear Sir:

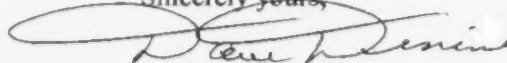
In accordance with Government's commitment to accountability, I have the honour to submit herewith, for transmittal to the House of Assembly, the Annual Report of the Department of Municipal Affairs for the year ended 31 March 2007.

The mandate of the Department of Municipal Affairs is derived from the Department of Municipal and Provincial Affairs Notice, 2003, under the *Executive Council Act*, and is informed by the legislation set out in the Schedule (see Appendix A for a list of Acts under the Schedule) which outlines the powers, duties and functions of the Minister, who is also appointed Registrar General.

I am accountable for the development of the 2006-07 Annual Report and the accuracy of the results reported. I am pleased to report that the Department was successful in achieving the goals and primary objectives set for the 2006-07 year.

I look forward to the future endeavors of the next fiscal year.

Sincerely yours,



DAVID DENINE,
Minister

c.c. Transparency and Accountability Office

Encs.\

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Departmental Overview

The Department of Municipal Affairs envisions a Province where people enjoy healthy, safe and sustainable communities supported by strong local governments. The Department supports the financial stability and viability of municipalities and the efficient and effective delivery of municipal services. The Department assists municipalities in meeting their infrastructure needs and provides the financial and administrative tools to support sound municipal governance.

The primary clients of the Department of Municipal Affairs are the 282 municipalities, 183 Local Service Districts and about 100 unincorporated areas in Newfoundland and Labrador. From the 2006 census, 89% of the provincial population resides within municipalities, about 7% reside in LSDs and about 4% are in unincorporated areas. The Department has a broad range of stakeholders in municipal matters as well as related concerns that are of a wider provincial interest.

The Department is organized into three branches: Municipal Engineering and Planning; Municipal Support and Policy; and Employment Support. The Municipal Engineering and Planning Branch has three functions: land-use planning, municipal engineering support, and industrial water systems. The Municipal Support and Policy Branch has four functions: emergency services and fire prevention, local governance support services, policy and planning research and corporate services. The Employment Support Branch responds to needs in communities for short term employment programs.

In 2006-07, Government established a new agency, Fire and Emergency Services – Newfoundland and Labrador (FES-NL), to mitigate against, prepare for, respond to, and recover from major emergencies and disasters that may occur in the Province. While the new agency remains accountable to the Minister of Municipal Affairs, creation of the agency resulted in the transfer of staff from the Emergency Measures Organization and the Fire Commissioner's Office to Fire and Emergency Services – Newfoundland and Labrador.

Staff Complement

In 2006-07, the Department had a permanent staff complement of 121 positions and employed a number of temporary and contractual staff. The educational backgrounds and skills of Departmental staff are diverse and reflect the Department's role in providing technical expertise to municipalities in areas of financial management, municipal administration, engineering, land-use planning and policy, employment support, and training programs for elected and non-elected municipal officials.

In 2005, severe problems in the fishing industry resulted in government directing the Department to implement a large scale employment support response effort. The complexities of this response necessitated a re-prioritizing of the Department's objectives for that year. Subsequently, recognizing that the industry was involved in a restructuring period that will likely last several years,

Government approved creation of a new Employment Support Branch in the Department with a mandate to deliver short-term employment programs as part of a wider set of transitional adjustment services for affected workers and also to coordinate planning of adjustment services across several other departments. This Branch became fully operational early in 2006-07.

The Department's head office is located in St. John's. There are four regional offices located in St. John's (Eastern Region), Gander (Central Region), Corner Brook (Western Region), and Happy Valley-Goose Bay (Labrador Region). The Department also maintains staff in Clarenville (Regional Operations). Head office concentrates on policy, planning, and support services, with regional offices primarily providing service delivery.

Finance and General Operations

The Department's original budget for 2006-07 was \$130.27 million while its actual expenditure was \$134.10 million, resulting in a variance of \$3.83 million. The variance is comprised of:

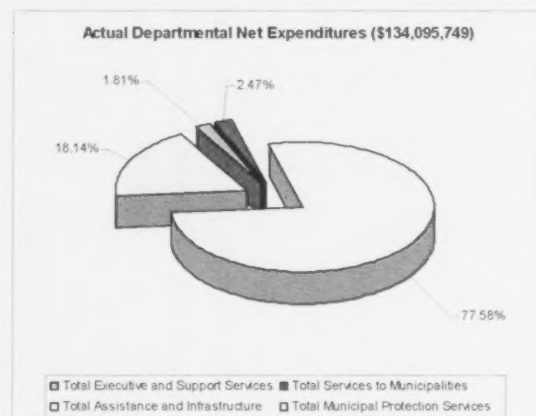
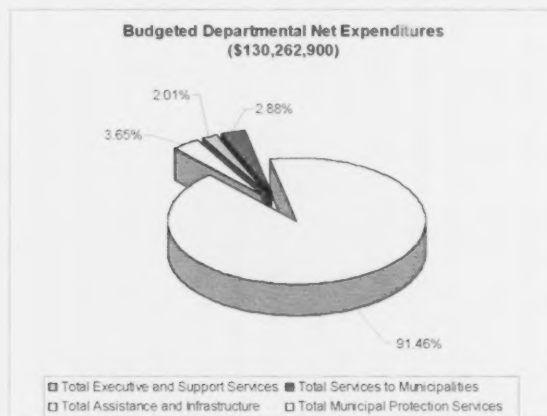
Executive and Support Services Program	\$ 190,000
Services to Municipalities Program	\$ 440,000
Assistance and Infrastructure Program	\$ 15,110,000
Municipal Protection Services Program	<u>\$(19,570,000)</u>
	<u>\$ (3,830,000)</u>

There were several significant events during the year that accounted for this variance.

1. Under the Assistance and Infrastructure Program, additional expenditures of \$4.160 million under Financial Assistance were offset by savings of \$19.270 million under Municipal Infrastructure, resulting in a total savings of \$15.110 million.
 - a. Total additional expenditures of \$4.160 million were comprised of \$4.290 million under Community Enhancement Employment Program to support growing demands and \$120,000 under Municipal Operating Grants. These expenditures were partially offset by a savings of \$250,000 under Municipal Debt Servicing.
 - b. Total savings of \$19.270 million was achieved under Municipal Infrastructure Program.
 - i. Savings of \$4.170 million were achieved under the Federal/Provincial Infrastructure Programs due to the fact that the timing of project approvals did not allow for the completion of construction within the 2006-07 fiscal year. These projects continued in 2007-08.

- ii. Expenditures under the Canada/Newfoundland and Labrador Gas Tax Agreement were \$12.380 million less than anticipated.
 - iii. Savings of \$2.560 million were achieved under Community Development Coastal Labrador due to the wrap up of this program.
 - iv. Expenditures under Municipal Infrastructure were \$160,000 less than anticipated.
2. Under the Municipal Protection Services Program, an additional \$19.570 million was expended during the year mainly due to Disaster Assistance, in response to the needs of the people impacted by natural disasters such as the Stephenville Flood.

These variances are reflected in the charts below.



Shared Commitments

The Department of Municipal Affairs interacts with several provincial and federal government departments, particularly in the areas of land-use planning, employment support, infrastructure development, environmental issues, regionalization of services, emergency measures, water quality and waste management. Consultation and cooperation with organizations responsible for these issues is necessary to develop and work toward shared goals.

The Department has been successful in establishing positive relationships with stakeholders that have led to improved policy, services and programs and thereby supporting the strategic direction of Government. The Department works closely with numerous organizations and associations including, but not limited to, the following:

- Municipalities Newfoundland and Labrador (MNL);
- Newfoundland and Labrador Association of Municipal Administrators;
- Newfoundland and Labrador Association of Fire Chiefs and Firefighters;
- Combined Councils of Labrador;
- Various regional joint councils;
- Royal Canadian Legion;
- Various provincial departments (including Environment & Conservation, Transportation & Works, Government Services, Labrador & Aboriginal Affairs, Health & Community Services, Fisheries & Aquaculture);
- Multi-Materials Stewardship Board;
- Municipal Training and Development Corporation;
- Infrastructure Canada (Department of Transport, Infrastructure & Communities);
- Atlantic Canada Opportunities Agency;
- Public Safety & Emergency Preparedness Canada;
- Atlantic Canada Water Works Association;
- Lending institutions;
- Educational institutions; and
- Engineering consultants.

Highlights and Accomplishments

Municipal/Community Infrastructure

Capital works programs continue to provide municipalities with the opportunity to secure, develop and improve services for residents, and support the long-term sustainability, growth and development of communities throughout Newfoundland and Labrador.

Examples of projects include water and sewer distribution, water treatment, sewage treatment, solid waste management, paving roads, storm drainage and recreation facilities. In 2006-07, the Department of Municipal Affairs, in partnership with municipalities and the Federal Government, invested approximately \$104 million in municipal infrastructure projects throughout Newfoundland and Labrador.

Gas Tax

A four-year Federal/Provincial Gas Tax Agreement was negotiated and signed in August 2006. The Funding Agreement will be administered by the Department of Municipal Affairs, and will provide \$82.3 million over four years to support environmentally sustainable municipal infrastructure for municipalities in Newfoundland and Labrador. Eligible project categories include water, waste water management, solid waste management, public transit, community energy systems, municipal capacity building, and roads and bridges. A conditional requirement for funding is that it can be

demonstrated projects will enhance environmental sustainability.

The Province reached an agreement with Municipalities Newfoundland and Labrador, and Infrastructure Canada to set aside \$22 million of Gas Tax funding over the next four years to support implementation of the Provincial Waste Management Strategy.

Public Transit Funding Agreement

The Province entered into the Canada – Newfoundland and Labrador Agreement on the Transfer of Federal Public Transit Funding with the Federal Government of Canada in March 2007. The Canada – Newfoundland and Labrador Public Transit Funding Agreement is part of a one-time federal contribution of \$400 million available to provinces and territories for public transit infrastructure. Provincial and territorial allotments were devised on a per capita basis.

The total allocation to the Province of Newfoundland and Labrador is provided by two separate initiatives. The Canada – Newfoundland and Labrador Agreement on the Transfer of Federal Public Transit funding will see an additional \$6.5 million added to the previously allotted sum of \$14.1 million from the Federal Public Transit Trust, to provide an overall expenditure of \$20.6 million. The \$20.6 million investment will enhance existing municipal transit infrastructure in St. John's and Corner Brook, and support the protection of our environment through the reduction of gas emissions and increased use of public transit.

Recreation

The Province remains committed to promoting healthy and active lifestyles, and continues to support community recreation and infrastructure. Some of the major investments in 2006-07 include approval for the Provincial Recreation Centre in St. John's, a Civic Centre in St. Anthony, the Northeast Avalon Arena, and the Mealy Mountain Auditorium in Happy Valley-Goose Bay.

Safe Drinking Water

The Department of Municipal Affairs supports initiatives to modernize and secure water infrastructure, and to ensure municipalities have access to safe and efficient drinking water supplies. In 2006-07, the Department supported safe drinking water projects which included repairs, expansions and upgrades to various water delivery and treatment systems. Projects included investments to improve services in Grand Bank, Burin, Lewisporte, Tilting, Seldom- Little Seldom, Gander Bay South, Beachside, Glovertown, Anchor Point, Trout River, Port au Port East, Norris Point, Riverhead, Deer Lake, Hampden, and Happy Adventure.

Sewage Treatment – Blivet Systems

Traditionally, Newfoundland and Labrador communities have relied on sewage outfalls to the ocean as a means of waste water disposal. Recent Canadian and Newfoundland and Labrador

environmental standards require various levels of sewage treatment to preserve the environment and to ensure safety.

Newfoundland and Labrador has explored several innovations to meet demands for sewage treatment. Sewage lagoons are used in several communities including Deer Lake and Pasadena. Reed plant systems, under the trade name Abydoz, are in place in Glenwood, Appleton and Stephenville.

The BMS Blivet is an "all in one" packaged sewage treatment plant. It involves primary settlement, sludge storage, aerobic treatment and final settlement. It is a mechanical process designed to meet Canadian Environmental Regulations. It is now under construction in Placentia.

Waste Management Strategy

The Department of Municipal Affairs has been actively pursuing implementation funding for a multi-year Provincial Waste Management Strategy. The Strategy will support a co-ordinated, regional approach to ensure an effective, efficient and reliable waste management system for the Province. The Strategy will reduce the amount of waste going into landfills by 50 per cent, with full modern waste management implementation by 2020.

The Strategy was originally announced in April 2002, however stalled due to a lack of funding. Funding sources have now been identified with capital costs supported through an allocation of approximately 30 per cent of the Gas Tax revenue which will provide \$21.88 million over the next four fiscal years, ending in 2010. Additionally, the Department of Municipal Affairs will contribute \$22 million over the same period from annual capital works allocations. Government is pursuing other funding avenues to support operational costs.

Critical to the Strategy is the development of three full-service waste processing facilities (Avalon, Central, and Western) which will receive waste from all regional systems. Regional Waste Management Authorities will be established in each of the fifteen waste management zones. These authorities will plan, implement and operate modern waste management systems within their regions.

The implementation of the Strategy, over time, will dramatically reduce the more than 200 waste sites to about 40 sites, phase out incinerators, eliminate open burning, increase waste diversion and eliminate unlined landfill sites in most areas. While the planning and delivery of waste management is the direct responsibility of municipalities and communities, the Provincial government will guide the process through providing capital funding, developing policies, regulations and standards for waste management.

The Department of Municipal Affairs has been working with municipal leaders to examine regional waste management options. Regional waste management committees have already been formed in various areas of the Province, to begin planning and enhancing public awareness of the need for modernization and compliance with modern waste management practices. As the Strategy moves

forward, the Department will engage industry, commercial, and institutional partners, in seeking solutions to reduce waste production, increase waste diversion, and modernizing waste disposal.

Regional Initiatives

The Department of Municipal Affairs supports sharing of services within regions, including fire and emergency services, water and sewer services, and waste management services. During 2006-07, the Department continued to provide assistance to municipalities to explore options of sharing services. Initiatives requested by municipalities and undertaken in 2006-07 include:

- Feasibility Study on merging the Towns of Victoria and Salmon Cove;
- Feasibility Study on merging Baine Harbour, Parker's Cove and Rushoon;
- Feasibility Study on merging Heart's Delight, Islington and Cavendish;
- Discussions to establish a Regional Services entity to provide fire prevention and protection services to the towns of South River, North River, Clarke's Beach, and Cupids and the Local Service District of Makinsons; and
- Discussions to establish one entity for the towns of Port Saunders, Port au Choix, Hawke's Bay, and River of Ponds.

Employment Support Programs

In 2006-07, the Department of Municipal Affairs instituted a Fish Plant Workers' Employment Support Program as part of Government's wider framework of support services for workers displaced due to the closure of fish processing plants. During the year, employees of the plants in Fortune and Marystown were designated eligible for this program. Overall, these initiatives assisted 530 workers.

The Community Enhancement Employment Program focuses on creating short-term employment initiatives for eligible participants. The program uses a community-based sponsor and delivery model with an emphasis on local projects that provide enduring benefits to communities. In 2006-07, this program assisted approximately 1,500 workers. The Department also administered a brush cutting program along provincial highways on behalf of the Department of Transportation and Works which employed approximately 600 persons at a cost of \$1.6 million. Furthermore, the Department delivered short-term employment initiatives that served approximately 630 workers in operating fish plants who did not manage to qualify for EI through the fishing industry; these projects were in addition to the program described above under the Fish Plant Workers' Employment Support Program.

Government's overall expenditures across all employment support programs in Municipal Affairs totaled \$10.2 million plus the \$1.6 million funded by the Department of Transportation and Works.

Municipal Operating Grants (MOGs)

The Municipal Operating Grant Program assists municipalities in meeting their day-to-day operating expenses. In 2006-07, the Department of Municipal Affairs provided \$17.7 million to municipalities and local service districts in Newfoundland and Labrador.

Debt Relief

In 2006-07 the Department identified five municipalities to benefit from debt relief. These municipalities are currently in negotiations with the Department to address financial issues and other matters. Since inception of the Program, 185 municipalities have had their Newfoundland and Labrador Municipal Financing Corporation (NLMFC) debt reduced and/or restructured at a cost of approximately \$54.2 million.

Debt Servicing Subsidies

The Municipal Debt Servicing Program provides grants and subsidies to assist municipalities in their repayment of capital debt held by various financial agencies. Municipalities accumulated this debt to finance the development of municipal infrastructure, recreation facilities and other municipal capital improvements that were considered to be essential, such as water and sewer systems.

As of March 2005, the Newfoundland and Labrador Municipal Financing Corporation, the entity that arranged long-term borrowings for municipalities, no longer provides new funding. Now municipalities arrange funding for capital projects and infrastructure loans through financial institutions, and at completion of the project, the Department pays the Provincial share to the financial institution. Subsidies provided for debt servicing for 2006-07 as well as direct capital contributions totalled \$74.6 million.

Special Assistance

The Special Assistance Fund provides financial aid to support municipalities and related organizations. Funding provided under this program in 2006-07 as well as direct capital contributions was \$2.5 million. This funding supported such initiatives as fire fighting equipment, recreational requirements, small scale infrastructure projects and other municipal needs.

Mandate

The mandate of the Department of Municipal Affairs is derived from the Department of Municipal and Provincial Affairs Notice, 2003, under the *Executive Council Act*, and is informed by the legislation set out in the Schedule (see Appendix A for a list of Acts under the Schedule) which outlines the powers, duties and functions of the Minister, who is also appointed Registrar General.

The Department of Municipal Affairs is directly responsible for all matters relating to:

- a) municipal affairs;
- b) emergency preparedness; and
- c) provincial affairs.

Lines of Business

Lines of business are the major programs, products or services provided to our primary clients. The Department of Municipal Affairs has five main lines of business. These lines of business are set forth below and include a description of the associated parameters for each.

Local Governance

The Department strengthens local governance by:

- formulating land-use policy and regional approaches to service delivery;
- providing municipal training to elected and administrative officials and legislative interpretation to assist in the development of municipal by-laws;
- advising local government officials;
- conducting reviews of municipal administrative matters;
- administering grants and subsidies for community infrastructure;
- examining local governments' financial operations;
- monitoring levels of debt;
- providing operational support; and
- participating in inter-provincial policy development and knowledge sharing.

Municipal Infrastructure and Engineering Services

The Department guides infrastructure investments by:

- assessing needs and prioritizing municipal infrastructure investments;
- providing financial support for the development of municipal infrastructure;
- providing technical support and oversight for the design, installation and operation of municipal infrastructure;
- advocating to the Federal Government, on behalf of municipalities, to secure long-term sustainable funding; and
- exploring new and more effective servicing solutions to municipal infrastructure requirements.

Emergency Preparedness

The Department provides a leadership role, pursuant to the *Emergency Measures Act*, in the coordination and/or provision of emergency measures through its responsibilities in:

- emergency preparedness planning;
- declaring whether or not a local disaster situation exists within the area;
- designating an officer to plan, control and co-ordinate the activities of all police, health, welfare, fire and other services in the area, either provincial or municipal, and to engage civilian personnel to assist these services; and
- participates in federal/provincial policy development and response coordination.

The Department also has responsibility for all matters related to the fire commissioner's office and duties including:

- investigating and keeping records of provincial fires; and
- providing advice and recommendations for the establishment of adequate municipal firefighting capability and promoting fire prevention.

Employment Support

The Department's primary employment support program is the Community Enhancement Employment Program which works with local, community-based sponsors to create short-term employment initiatives that provide enduring benefits to communities. Additionally, Government has assigned to the Department the responsibility to provide similar employment support programs in areas affected by permanent closure of fish processing plants and to coordinate interdepartmental efforts to assist workers affected by permanent fish plant closures.

Provincial Affairs

The Department has statutory responsibilities in relation to the following provincial affairs:

- coordinating annual ceremonies to honor our veterans;
- approving the use of legislated provincial identification symbols;
- prescribing and evoking *Newfoundland Daylight Time*;
- Great Seal of the Province; and
- Registrar General for the Province

Vision

The vision of the Department of Municipal Affairs is of communities with viable, sustainable municipal services led by strong local governments.

Mission

The mission statement identifies the priority focus area of the Minister over the next two planning cycles. It represents the key longer-term result that the Minister and the Department will be working towards as they move forward on the strategic directions of Government. The statement also

identifies the measure and indicators that will assist both the Department and the public in monitoring and evaluating success.

One of the biggest challenges facing all municipalities in the Province is providing appropriate levels of municipal services in a cost-effective manner. Another challenge is the fiscal impact of new waste management practices. Costs are expected to increase, in part, as a result of updated environmental regulations that require new landfills to be lined with a leachate collection and treatment system to ensure protection of the environment. Changes to environmental standards are also expected in the areas of water treatment and waste water treatment. These too will lead to increased demand and costs for services.

Lastly, to guide these future infrastructure and capital investment costs, municipalities will need funding to develop and/or revise municipal land use plans and sustainability plans. Given these challenges, the long term outcome is:

By March 31, 2011, the Department of Municipal Affairs will have improved the efficiency of municipal service delivery.

Outcomes of Objectives

In consideration of Government's strategic directions and the mandate and financial resources of the Department, the following areas were identified as the key priorities of the Minister over the next two years. The goals identified for each issue reflect the results expected in the two year timeframe while the objectives provide an annual focus. This is the first of two annual reports on this strategic plan.

Emergency Preparedness

Efficient and effective coordination and provision of emergency services is a priority for the Department. In past years, the Province had to deal with large scale events such as the Stephenville flood (2005) and the Badger flood (2003). While the Province has demonstrated it has the capability to successfully manage such events, it did so without the benefit of a formal Provincial Emergency Preparedness Framework. It was envisioned that such a framework would help preserve and enhance the Province's emergency management capability.

Goal 1: By March 31, 2008, the Department of Municipal Affairs will have developed and initiated implementation of a provincial emergency preparedness framework.

Objective 1.1: By March 31, 2007, the Department of Municipal Affairs will have developed a provincial emergency preparedness framework.

Performance Measure	Indicators
Framework developed	<ul style="list-style-type: none"> • Completion of consultations with other government departments • Identification of jurisdictional protocols • Identification of response obligations of provincial and municipal governments • Review of existing legislation, regulation and policy related to emergency preparedness • Review of existing emergency preparedness infrastructure • Framework developed including recommendations regarding Emergency Preparedness: <ul style="list-style-type: none"> ▪ Planning, ▪ Infrastructure, ▪ Legislation, regulation, and/or policy, ▪ Requirements, and ▪ Communications.

Progress and Accomplishments

The Department was successful in meeting its objective for this goal. In February 2006, Government conducted a comprehensive review of emergency preparedness within the provincial government. All key departments and agencies of the Provincial Government were consulted during this review process. During the review and in the development of the provincial emergency preparedness framework, jurisdictional protocols were identified, including response obligations of the Provincial Government and of municipal governments. In addition, reviews were conducted of existing legislation, regulations and policies related to emergency preparedness and current infrastructure. Based on this comprehensive review of emergency preparedness, Government created a new Agency called "Fire and Emergency Services – Newfoundland and Labrador". This Agency is now responsible for developing and maintaining a modern and robust emergency management system in the Province. It will produce its own Business Plan and an Annual Report for the year 2007-08.

Objective 1.2: By March 31, 2008, the Department of Municipal Affairs will have initiated implementation of priority recommendations regarding the emergency preparedness framework.

Future indicators for this objective will be reported through the Fire and Emergency Services Agency.

Municipal Infrastructure

Municipal infrastructure in this Province is rapidly aging while new demands are emerging. Existing municipal infrastructure requires funding for ongoing maintenance while new economic and social needs require funding for new infrastructure investments. At times, infrastructure maintenance is

deferred or put on hold so that current funding can be targeted towards other municipal needs. At other times, funding is diverted from smart investments to sustain the operation of old, outdated infrastructure. To achieve a balance, the Department sought to develop a strategic provincial municipal infrastructure plan, which identified priority directions and an effective funding strategy.

Goal 2: By March 31, 2008, the Department of Municipal Affairs will have developed, implemented, and refined a provincial municipal infrastructure plan.

Objective 2.1: By March 31, 2007, the Department of Municipal Affairs will have developed a municipal infrastructure planning document.

Performance Measure	Indicators
Infrastructure planning document developed	<ul style="list-style-type: none"> • Completion of analysis report on stakeholder input, environmental and health protection standards • Identification of the priority directions for municipal infrastructure investment • Finalization of Provincial Municipal Infrastructure Plan

Progress and Accomplishments

The Department was successful in meeting its objective for this goal. As part of developing a new infrastructure investment strategy planning document, round table discussions were held to seek input into the administration of municipal capital works projects. Approximately 50 municipalities, 20 consulting firms, and 10 construction companies, along with various stakeholder agencies, participated in the talks. Priority directions for municipal infrastructure investments have now been outlined in a new Provincial Municipal Infrastructure Plan resulting in the Department directing a portion of its funding to strategic infrastructure investments including \$5.5M for waste management; \$11.7 million for recreation, and \$2 million for buildings and fire equipment.

Objective 2.2: By March 31, 2008, the Department of Municipal Affairs will have implemented and refined a municipal infrastructure plan.

Performance Measure	Indicators
Implementation and refinement of a Provincial Municipal Infrastructure Plan.	<ul style="list-style-type: none"> • Adjustments to the plan (if necessary) • Ministerial approval of refined Provincial Municipal Infrastructure Plan

Municipal Cooperation Initiatives

The Department supports strong local governance at the municipal level and where appropriate, at a shared regional level. At the municipal level, in some situations, councils are challenged to meet the demands of their residents because they do not have a full slate of councillors. In such cases, there are various interim measures available to ensure municipal councils can still deliver efficient and effective municipal services. Other challenges include the rising cost of service delivery and shortages of skilled workers. On an ever more frequent basis, municipalities are exploring and pursuing regional cooperation initiatives to deliver municipal services to their citizens. The goal of the Department is to consult with the people of the Province to identify and adopt policies and support mechanisms to facilitate these cooperation initiatives leading to stronger local communities.

Goal 3: By March 31, 2008, the Department of Municipal Affairs will have policies and mechanisms to support municipal cooperation initiatives.

Objective 3.1: By March 31, 2007, the Department of Municipal Affairs will have completed consultations with Municipalities Newfoundland and Labrador (MNL) and drafted a broad consultation framework on policies and support mechanisms to facilitate municipal cooperation initiatives.

Performance Measure	Indicators
Consultations with MNL	<ul style="list-style-type: none">• Record of consultations
Broad consultation framework	<ul style="list-style-type: none">• Analysis of MNL President's Task Force Report• Identification of workplan for discussion paper consultations• Broad consultation framework document

Progress and Accomplishments

The Department was successful in meeting its objective for this goal. The Department has worked closely with Municipalities Newfoundland and Labrador to identify key points for inclusion in a broad consultation framework document on policies and support mechanisms to facilitate municipal cooperation initiatives. The President's Task Force Report was analyzed and a detailed workplan for public consultations has been developed.

Objective 3.2: By March 31, 2008, the Department of Municipal Affairs will have policies and support mechanisms to facilitate municipal cooperation initiatives.

Performance Measure	Indicators
<ul style="list-style-type: none"> •Draft policy developed •Support mechanisms identified 	<ul style="list-style-type: none"> • Development of consultation paper • Report on Consultations • Draft Policy Paper • Identification of facilitative support mechanisms

Regional Service Delivery Model

Delivery of efficient and effective municipal services is becoming increasingly complex. Standard levels of service are increasing and costs are continuously rising. Municipalities are challenged to deliver increased levels of municipal services to residents. To alleviate some of the pressures associated with incremental service levels and rising costs, assessment of the challenges and benefits of increased cooperation between municipalities and regions is necessary. There is a need and desire for greater cooperation among municipalities and between regions. One alternative way local governments could deliver services is through the Regional Service Delivery Model. However, parameters and best practices that support sharing of regional services need to be clearly identified. As a first step towards achieving this outcome, the Department sought to assess what worked and what did not.

Goal 4: By March 31, 2008, the Department of Municipal Affairs will have piloted the regional service delivery model.

Objective 4.1: By March 31, 2007, the Department of Municipal Affairs will have developed parameters to pilot the model.

Performance Measure	Indicators
Implementation plan is developed	<ul style="list-style-type: none"> • Completion of pre-implementation communications session with MNL on the model • Identification of region for piloting the model • Development of parameters for piloting the model in the identified region

Progress and Accomplishments

The Department was successful in meeting its objective for this goal. The Department advised Municipalities Newfoundland and Labrador of its intention to pilot the regional service delivery model over the next year. Through a careful analysis of various factors, the Department has identified the Northern Peninsula, encompassing the communities from River of Ponds north to St. Anthony, as the pilot region. Parameters of the pilot were drafted

in accordance with the *Regional Service Boards Act* and the *Transparency and Accountability Act*.

Objective 4.2: By March 31, 2008, the Department of Municipal Affairs will have piloted the model for regional service delivery.

Performance Measure	Indicators
Model Piloted	<ul style="list-style-type: none">• Identification of Evaluation Measures• Appointment of Representatives to Regional Service Board• Minutes of Regional Service Boards meetings

Employment Support

The Community Enhancement Employment Program is targeted at creating short-term employment for eligible participants. Employment is provided through community projects that provide an enduring benefit to communities, focusing on public health and safety; economic development; community infrastructure; and beautification.

International competition, declines in natural resources, quota reductions and other factors are affecting communities with fish processing plants. In response, the Provincial Government has introduced a set of transitional support services for workers affected by fish plant closures. The Department of Municipal Affairs' role in this initiative is to deliver employment support programs for a short term adjustment period and to coordinate the services of several other departments for displaced fish processing workers.

Goal 5: By March 31, 2008, the Department of Municipal Affairs will have ensured an effective employment support program is made available to qualified individuals in communities designated by Government as needing assistance due to downturns in the fishing industry.

Objective 5.1: By March 31, 2007, the Department of Municipal Affairs will have implemented a new employment support program to address downturns in the fishing industry.

Performance Measure	Indicators
Implementation of Employment Support Program	<ul style="list-style-type: none">• Organization of new Employment Support Branch• Finalization of policies and procedures for the employment support program• Designation of communities for employment support• Identification of qualified individuals and level of support

	required <ul style="list-style-type: none"> • Identification of community proposals for work projects • Employment of qualified individuals
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Progress and Accomplishments

The Department was successful in meeting its objective for this goal. With the approval of Government, a new Employment Support Branch was established within the Department of Municipal Affairs, and the Branch then developed the policy framework for the Fish Plant Workers' Employment Support Program. During 2006-07, Government designated both Fortune and Marystown to be eligible for the Fish Plant Workers Employment Support Program, and 530 workers from these two plants accessed the program. In addition, outside the framework of the Fish Plant Workers Employment Support Program, the Department also assisted approximately 630 workers from other fish processing plants who did not manage to qualify for EI through the fishing industry.

Objective 5.2: By March 31, 2008, the Department of Municipal Affairs will have evaluated and made improvements to the employment support program.

Performance Measure	Indicators
<ul style="list-style-type: none"> • Evaluation of Program • Improvements to Program 	<ul style="list-style-type: none"> • Evaluation report • Modified guidelines reflecting approved recommendations in the evaluation report

Appendix

A: Legislative Acts

The following legislation informs the mandate of the Department of Municipal Affairs.

Assessment Act, 2006	Avian Emblem Act
Building Standards Act	City of Corner Brook Act
City of Mount Pearl Act	City of St. John's Act
Coat of Arms Act	Commemoration Day Act
Crown Corporations Local Taxation Act	Emergency Measures Act
Evacuated Communities Act	Family Homes Expropriation Act
Fire Prevention Act, 1991	Firefighter's Protection Act
Floral Emblem Act	Housing Act
Housing Association Loans Act	Labrador Act
Mineral Emblem Act	Municipal Affairs Act
Municipal Authorities Amendment Act, 1991	Municipal Elections Act
Municipalities Act, 1999	Provincial Anthem Act
Provincial Flag Act	Regional Service Boards Act
Remembrance Day Act	City of St. John's Municipal Taxation Act
St. John's Centennial Foundation Act	St. John's Municipal Council Parks Act
Standard Time Act	Urban and Rural Planning Act, 2000
Taxation of Utilities and Cable Television Companies Act	

Appendix
B: Financial Statements
Municipal Affairs 2006-07*

	<u>Original 06/07 Budget</u>	<u>Actuals</u>
Executive and Support Services		
Minister's Office: 1.1.01	259,500	248,395
General Administration		
Executive Support: 1.2.01	594,100	564,752
Administrative Support: 1.2.02	1,652,500	1,457,506
Less Provincial Revenue	<u>-5,000</u>	<u>-850</u>
	1,647,500	1,456,656
Administrative Support - Capital: 1.2.03	<u>110,000</u>	<u>153,000</u>
Total Executive and Support Services	2,611,100	2,422,803
 Services to Municipalities		
Regional and Financial Support Services		
Support to Municipalities: 2.1.01	1,234,600	1,089,750
Municipal Finance: 2.1.02	251,400	233,836
Policy and Planning		
Policy and Planning: 2.2.01	453,300	371,201
Urban and Rural Planning: 2.2.02	553,600	472,967
Less Provincial Revenue	<u>-6,000</u>	<u>-5,365</u>
	547,600	467,602
Engineering Support		
Engineering Services 2.3.01	1,566,900	1,209,479
Less Provincial Revenue	<u>-304,000</u>	<u>-2,744</u>
	1,262,900	1,206,735
Industrial Water Services: 2.3.02	680,000	584,360
Less Provincial Revenue	<u>-680,000</u>	<u>-641,442</u>
	0	-57,082
Total Services to Municipalities	3,749,800	3,312,042
 Assistance and Infrastructure		
Financial Assistance		
Municipal Debt Servicing: 3.1.01	28,883,600	28,628,634
Municipal Operating Grants: 3.1.02	17,625,000	17,744,849
Special Assistance: 3.1.03	2,489,800	2,489,013
Community Enhancement: 3.1.04	5,925,000	10,217,357
Municipal Infrastructure		
Municipal Infrastructure - Capital: 3.2.01	46,124,500	45,961,726
Federal/Provincial Infrastructure Programs - Capital: 3.2.02	36,660,000	23,507,842
Less Federal Revenue	<u>-18,700,000</u>	<u>-9,716,570</u>
	17,960,000	13,791,272
Canada/NL Gas Tax Program - Capital: 3.2.03	15,800,000	3,358,492
Less Federal Revenue	<u>-19,800,000</u>	<u>-19,740,000</u>
	-4,000,000	-16,381,508

	<u>Original 06/07 Budget</u>	<u>Actuals</u>
Community Development- Coastal Labrador – Capital 3.2.04	4,135,600	1,865,972
Less Provincial Revenue	<u>0</u>	<u>-287,213</u>
	4,135,600	1,578,759
Total Assistance and Infrastructure	119,143,500	104,030,102
Municipal Protection Services		
Fire and Emergency Services		
Fire Commissioner's Office: 4.1.01	953,200	898,156
Emergency Measures Organization 4.1.02	546,800	539,008
Less Provincial Revenue	<u>-1,500</u>	<u>-2,083</u>
	545,300	536,925
Joint Emergency Preparedness Projects 4.1.03	282,000	96,000
Less Federal Revenue	<u>-282,000</u>	<u>-240,917</u>
	0	-144,917
Disaster Assistance – Capital: 4.1.04	11,260,000	23,040,638
Less Federal Revenue	<u>-8,000,000</u>	<u>0</u>
	3,260,000	23,040,638
Total Municipal Protection Services	4,758,500	24,330,802
Total Department	130,262,900	134,095,749

**Expenditure and revenue figures included in this document are based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for Fiscal year Ended 31 March 2007*